

# CPP ANNUAL USE OF CAPITAL SURVEY - 2011



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

BancStar, Inc.

Point of Contact:	Thomas H. Keiser	RSSD: (For Bank Holding Companies)	1097445
UST Sequence Number:	768	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	8,600,000	FDIC Certificate Number: (For Depository Institutions)	
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	April 03, 2009	City:	Festus
Date Repaid <sup>1</sup> :	N/A	State:	Missouri

<sup>1</sup>If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

**What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).**

☒ **Increase lending or reduce lending less than otherwise would have occurred.**

At 12/31/2011 we hold \$3,657,000 of foreclosed assets purchased from our subsidiary banks. These purchases plus \$2,840,000 of CPP funds injected into our subsidiary banks has enabled them to continue strong lending programs.

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☒ **To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).**

At 12/31/2011 we maintain a loan to deposit ratio of 83%. We continue to serve our communities making small business loans, agricultural loans and consumer loans. Our marketing expenses are heavily weighted to lending.

☐ **Increase securities purchased (ABS, MBS, etc.).**

☐ **Make other investments.**

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☐ Increase reserves for non-performing assets.

☐ Reduce borrowings.

☐ Increase charge-offs.

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<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution.
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<input type="checkbox"/>	Held as non-leveraged increase to total capital.
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### What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

Foreclosed assets purchased from our banks have been properly maintained and are offered for sale in an orderly fashion. If left at the banks, these non-performing assets would be sold quickly which would have exacerbated the problem of falling prices in a disorderly market. Our banks are functioning better and are more able to serve our communities' credit needs in these uncertain times.

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What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

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Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.